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ABSTRACT

The State of Alaska and many other states are concerned with the issue of public funding of private institutions. Alaska's State Tuition Equalization Program was ruled unconstitutional in 1976; currently there are no grants programs for students wanting to attend public and private institutions of higher education. The importance of federal and state programs affecting public and private institutions is discussed, with statistics from Sheldon Jackson College in Sitka, Alaska, used as examples. A study was undertaken to determine how other states handle aid to private higher education and to review other types of aid in relation to Alaska law. Related data from published literature is mentioned (political, legal, and economic issues). States were polled to identify other state funding programs that would be legal in Alaska; 41 states responded, with 5 states indicating no aid for students in private colleges. A summary of the funding programs was presented to the President of Sheldon Jackson College. The programs that seemed most relevant under Alaska's constitution were those made directly to students in public or private institutions, and fell into two categories: need-based and achievement-based. Rationale statements from various colleges are listed. Six state programs (those of Michigan, Minnesota, North Dakota, Pennsylvania, Oregon, and Wisconsin) and their constitutional provisions were reviewed. Recommendations include looking into New Jersey's Tuition Aid Grants Program, Oregon's Need Grant Program, Pennsylvania's Scholars in Education Program, New Jersey's Distinguished Scholars Program, and Oregon's Cash Award Program. Suggestions are made for ways to define terms and to draft and promote legislation. Appendices include a list of state programs of aid, a summary of constitutional provisions and legislative programs in key states, and reprints of the Oregon Need Grant and Cash Award Program. A table on state programs of aid to private education is included. (SM)

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PUBLIC FUNDING OF PRIVATE HIGHER EDUCATION

Seminar: Politics, Law, and Economics

by

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A Practicum presented to Nova University in partial fulfillment of the requirements for the degree of Doctor of Education

Nova University

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ABSTRACT

In 1976, the Alaska Supreme Court ruled that the State's Tuition Equalization Program was unconstitutional. Since then the State of Alaska has lacked any program of grants, either need-based or academic-based, for students wishing to attend institutions of higher education, either public or private, within or outside of the state. Alaska is one of only a handful of states lacking such programs. Since the state had recognized, in establishing Tuition Equalization, the importance of higher education and of choices in higher education, a review was undertaken, in connection with the study of the Politics, Law and Economics of Higher Education , to determine how other states were funding private higher education and whether their funding programs would meet Alaska's constitutional provisions. The review indicated that programs of need-based or achievement-based grants made directly to students, and to be used by them at either public or private colleges and universities in the state, would indeed meet constitutional restrictions.

On the basis of this review, legislation which would authorize need-based and achievement grants has been recommended. Need-based grants would be based on a percentage of tuition, fees, and room and board. Achievement-based grants would be based on academic ability and achievement.

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Chapter 1

INTRODUCTION

Importance of the Issue

The issue of public funding of private higher education is of major concern to private institutions in Alaska and nationally. Terrence Bell, former U.S. Secretary of Education, addressed this concern in his Report to the National Institute of Independent Colleges and Universities (Kelly, 1976, pp.3-4). He noted that throughout the history of the United States, the country has been served by a "magnificent variety of public and independent colleges and universities" and argued that "the future of independent colleges and universities is contingent upon state policies that create a climate conducive to the fiscal health of these institutions". "Some states," he said, " have managed to enjoy the benefits of the excellent services of independent institutions without assuming any responsibility ... benign neglect cannot continue".

Federal Programs

Federal programs which impact both private and public institutions of higher education include such need based grants to students as the Pell Grant (formerly entitled the Basic Education Opportunity Grant (BEOG)), the Supplemental Education Opportunity Grant (SEOG), and College Work Study.

Federal grants to institutions have been authorized by a number of acts including: the National Defense Education Act of 1958, the Higher Education Facilities Act of 1963, the Higher Education Act of 1965, the 1972 Education Amendments to the Higher Education Act of 1965, and 1980 Reauthorization of the Higher Education Act (Kelly, 1986).

Two important attributes of federal funding of colleges and universities relate directly to Bell's emphasis on state funding:

> First, although the total amount has grown, the money given to institutions has not kept pace with the growth of higher education or ... even ... with inflation.
>
> Second, the principal beneficiaries are a small group of major universities; most institutions get little money. (Finn, 1978, p.106).

State Programs

The National Association of State Scholarship and Grant Programs in its 1985-86 Survey (1986) listed 93 state grant programs that were available for students attending private or public four year colleges and universities in-state, another 25 programs that could be used to attend institutions out-of-state as well as in-state, fifteen additional programs that were designated for students attending private institutions, and twenty-two programs that were limited to students attending public institutions (pp. 81-87).

Although Alaska has a loan program carrying a 50% forgiveness clause for students who complete their degree and live in the state for five or more years, its only grant program is the State Incentive Grant Program, which is, essentially, state distribution of federal SEOG funds.

Nationally, recognition of the importance of state funding is indicated by the growth of the various programs. The most important finding of the NASSGP survey was that the "aggregate need-based aid for undergraduates is expected to increase by more than eleven percent for the second consecutive year" (p.1). The survey also showed changes in the characteristics of need-based recipients:

more part-time students were receiving state grants, and increasing proportions of grant recipients were older than the traditional "college age" population (p.1).

In terms of non-need-based grants, the survey indicated that 28 states had such programs for undergraduates. Over 56% of the 1985-86 non-need-based grant aid was expected to be awarded through the "tuition-equalization" grant programs of seven states. About 85,000 students were to receive $35 million in non-need-based merit scholarship programs operated by 15 states (p.2).

Importance to the Institution

Although only two percent of Sheldon Jackson College's total revenue in FY 1985 came from government grants and contracts, student tuition and fees made up ten percent of the budget and over 92% of that amount came from federal and state grants and loans (President's Report, 1985, p.14).

During 1985-86, ninety-three percent of the students enrolled at Sheldon Jackson College received either federal or state aid. Seventy-four percent of the 93% received federal aid of some kind; 43% received state aid, either in the form of grants or loans. These

percentages were sharply reduced from FY 1982 when nine percent of the revenue was from government grants and contracts and fifteen percent from student tuition and fees. The reduction in grants was mostly due to a decision by the college not to rely on government grants and contracts, and partly due to a decrease in the availability of those grants.

From 1972 to 1982, Sheldon Jackson College was a recipient of a series of federal Title III (SDIP) grants. Other federal grants were received from the National Science Foundation, the National Endowment for the Humanities, and the National Endowment for the Arts. Additional grants came from the U.S. Department of Education for a Cooperative Education program, for Library Services, and for development of the Bachelor's degree in Elementary Education.

From 1970 to 1976, Sheldon Jackson and other private institutions in the state benefitted from the State of Alaska's Tuition Equalization Program, under which state residents attending private colleges in the state received a grant generally equal to the difference between tuition charged by the student's private college and tuition charged by a public college in the same area, not to exceed $2,500 annually. On March 16, 1976, Avrum

Gross, the State Attorney General, issued a legal opinion to the effect that the program was violative of an Alaska State Constitution provision (Article VII, Section 1) which prohibits the payment of money from public funds "for direct benefit of religious or other private educational institutions."

Following the opinion, the college filed suit to prevent the state from terminating the program. It discontinued the suit when both houses of the state legislature agreed to place the issue before the public in the form of a referendum. The referendum would amend the constitution by adding a clause stating: "However, nothing in this section shall prevent direct aid to students in accordance with the law" (House Joint Resolution 73 am S).

In Fall 1976, an organization called "Friends of Higher Education" was established to inform Alaskans of the need to keep alternatives in higher education alive in Alaska. It argued that private colleges made an immense contribution to the people of the state and were cost effective to the taxpayer. Although both Sheldon Jackson and Alaska Pacific University were Christian colleges, neither was "a 'religious' institution within the meaning of constitutional provisions which prohibit aid to such institutions" (Gross, 1976, p.4). Despite this opinion,

the major opposition to the constitutional amendment came from an organization calling itself "Friends of Public Education." This organization took the position that the doctrine of church-state separation would be damaged by the amendment. With this misleading opposition, the proposition failed and the suit was reinstituted.

The Alaska Supreme Court found the program unconstitutional on the basis that it was not neutral and was, in its effect, direct benefit to private educational institutions.

Since other states had found a variety of ways to assist students who wished to attend private institutions in their states, and since Sheldon Jackson College and Alaska Pacific University were interested in either attempting once again to change the constitution or finding other modes of state support for private higher education, a study was undertaken to (1) determine what other states were doing to aid private higher education and (2) review other types of aid in light of Alaska law. The study has provided information that will ultimately benefit both the institution and students desiring to further their education in Alaska.

Chapter 2

BACKGROUND AND SIGNIFICANCE

Politics, Law and Economics

Public funding of private higher education involves all three aspects of the study of the Politics, Law and Economics of Higher Education. A number of the states who responded to the survey had had their tuition equalization programs challenged on the basis of church-state separation. The Franklin Circuit Court decision in Americans for Church and State v. Charles Pryor Jr. et. al. (1984) provided an example of the legal challenges that have been met by the various states. The Court noted:

> Enabling legislation must have a secular legislative purpose, its principle or primary effect must be one that neither advances nor inhibits religion... The legislative purpose in the Kentucky tuition assistance statutes is to provide maximum utilization of existing educational facilities within the Commonwealth for the purpose of educating Kentucky residents attending independent colleges and universities.

An example of the political aspect of such programs was offered by the State of Pennsylvania. Pennsylvania was able to establish the Pennsylvania Higher

Education Assistance Agency (PHEAA) by passing a constitutional amendment which authorized grants and loans to be made to individuals pursuing higher education. Pennsylvania's programs of loans, grants, and scholarships served as "an integral part of the Commonwealth's commitment to the development and preservation of a planned system of postsecondary education encompassing the offerings of both independent and public sector institutions" (PHEAA, 1985, p.19).

In Alaska, it was a political move to challenge the tuition equalization program. It may have been political naivete that led to the defeat of the effort to amend the constitution. It will take political know-how to either make a second attempt to amend the constitution or pass different supportive legislation.

Review of the circumstances leading to the legal challenge to tuition equalization, the reasoning of the court, and the purposes to be served by the proposed constitutional amendment provided the necessary background for assessing the constitutionality (in Alaska) of other types of state support of private higher education.

The economic impact of the Alaska Supreme Court ruling was devastating to the private colleges. Sheldon Jackson College experienced a marked drop in enrollment.

Alaska Pacific University closed its doors for a time. Inupiat University closed permananently. The economic impact of reversing the decision or finding a new method of assistance would be equally great. Not only would the respective student bodies increase, the state would have a bargain since Alaska's private institutions provide education for their students at roughly half the cost of public institutions (Briggs, 1985).

Search of the Literature

Political Issues. The initial preparation for this practicum centered around a study of the general concepts relating to the study of politics, law and economics. The issue of public funding of private higher education was listed by Blocker, Bender and Martorana (1975) as one of the major concerns of both public and private institutions. They made two important points:

> All postsecondary education is dependent for its sustenance on public funds (federal, state, and local), student fees and tuition, and philanthropy (p.198).
>
> Public support of ... independent colleges and universities is considerable but well hidden, being channeled to them through financial aid programs for students, remission of taxes, low interest federal loans, and capital construction funds (p. 199).

They predicted that political conflict among

community colleges, public universities, and independent institutions over these resources would continue, noting that:

> Independent colleges and universities will insist that if they are to survive in their present form ... a substantial proportion of their annual operating and capital costs must come from public sources, preferably through direct institutional aid (p.199).

They addressed two aspects of the struggle for the principle of universal economic access to post-secondary education: one related to the level of family income at which scholarship and loan support would be denied (an especially important issue for Alaska with its relatively high salaries and an even higher cost of living), the other was the debate between proponents of low or no tuition on the one hand and cost equity between the public and private sector on the other. In 1985, the State of Alaska provided an average of 79% of the Education and General Expenses at public colleges and universities. Tuition and fees made up the balance of the E & G revenues (Hartman, 1985, pp.34-48).

During 1973-74, a period when Tuition Equalization was in effect, the average state support per full-time equivalent student in Alaska was $3,748 for students in

public institutions and $212 for students in private institutions (Alaska Postsecondary Commission, 1984, p.275). By 1985, state support had risen to $10,846.44 for students in public institutions and fallen to zero for students in private institutions (Briggs, 1985, p.1). It should be noted that although this is entirely in keeping with the Alaska Supreme Court's rationale in Sheldon Jackson College v. State of Alaska (1976) that state education was to replace private education, it should not be controlling in the future on programs designed to provide financial assistance to students seeking higher education, so long as such programs are not tailored to benefit only private institutions.

Breneman and Finn, in "An Agenda for the Eighties" (1978), reviewed the political ramifications of federal and state support of both public and private universities and suggested that the first priority for federal funding should be given to direct student aid (p.440). In terms of state financial assistance, they examined the policy options set forth by Blaydon in "The Politics of State Aid" (1978). Blaydon suggested three courses of action for the states:

> 1. Adopt policies that treat the two sectors evenhandedly in regard to future changes in higher

> education, particularly any decline in enrollment or inflation in cost. Public tuition would rise as costs increase. Increases in subsidies to public institutions would be matched by increases for the private sector.
>
> 2. Match every increase in public-sector institutional subsidies with a dollar-for-dollar increase in support for private campuses.
>
> 3. Help students bridge the tuition gap by providing need-based grants to students for use in attending public and private colleges (pp.380-81).

Breneman and Finn objected to the first goal for a number of reasons. The most relevant to the Sheldon Jackson College situation was their comment that "any scheme of this sort raises a host of political and constitutional questions. Some states are prohibited from subsidizing the ordinary costs of private colleges ... even where such payments are constitutional they tend to cause considerable friction between the two sectors" (p.443).

As to the second goal, they concluded that there is not a single state with a "large enough revenue surplus and an amicable enough political climate to give us confidence in the feasibility of ... strategies of this sort" (p.444).

They found the third option the most feasible, noting that "channeling resources to students strengthens the higher education marketplace and relates the fiscal

health of an institution to its ability to provide a sought after service rather than to influence its friends in the state capital" (p.445),

The Legal Issues. The constitutional issue addressed in many of the cases involving private institutions of higher education is found in the first amendment: "Congress shall make no law respecting an establishment of religion or prohibiting the free exercise thereof...". This amendment is made applicable to the states under the 14th amendment: "No state shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States..."

According to federal guidelines, formal ties to a church are not enough to disqualify a college for governmental aid. The U.S. Supreme Court has ruled (Walz v. Tax Commissioner, 397 U.S. 664, 674 (1970); Lemon v. Kurtzman, 403 U.S. 602, 612 (1971)), that for a program to be constitutional, it must satisfy three tests fashioned by the Court:

1. The program must be secular in purpose.
2. Its primary effect must be other than to advance or inhibit religion.
3. It must not foster excessive entanglement of church and state.

Private institutions wishing to receive state funding must also satisfy provisions in state constitutions. A number of state constitutions have clauses prohibiting state aid to private or religiously affiliated institutions. Blaydon (1978) suggested that these prohibitions might be handled in several ways:

> 1. Church-related colleges could be excluded from the program;
>
> 2. They could alter their religious ties sufficiently to be considered legally independent; or
>
> 3. State aid could be given directly to private college and university students (pp.365-6).

The last suggestion has withstood legal challenges in several states. In Alabama Educational Association v. Fob James, (Opinion #77-783, Alabama, 1977), the constitutionality of Act No. 90, the Alabama Student Grant Program, was tested on both the federal and state level. The Act established a student assistance program which provided state grants for eligible students who were bona fide residents of Alabama. Such grants would be paid to certain approved institutions of post secondary education in Alabama on behalf of eligible students. The Act designated the Alabama Commission on Higher Education as administrator of the program, prohibited the use of grants for sectarian purposes or to support schools of a predominantly sectarian

or denominational character, and required periodic auditing of the approved institutions (pp.2-3).

The Alabama Supreme Court addressed the issue of whether Act 90 violated the Establishment of Religion Clause of the First Amendment to the Constitution of the United States and found that it did not (Opinion, p.4). The Court noted the U.S. Supreme Court's opinions in Roemer v. Maryland Public Works Board , 426 U.S. 736 (1976), and Smith v. Board of Governors of N.C. , 429 F. Supp. 871 (1977), which made it clear that a "grant program such as is established by Act 90 does not violate either the Fourteenth or the First Amendment of the Constitution of the United States" (p.5).

The Court further noted that in Smith , supra, the U.S. Supreme Court upheld three grant programs of North Carolina which were similar to Act 90 in that the "statute provided for students to apply for grants; the grants were paid to colleges to be applied to the students' bills; the funds could be used for secular purposes only; and the statute excluded any student enrolled in a program for a religious vocation" (p.8).

Addressing the Alabama Constitution, the court found that the "Alabama constitutional provisions concerning the establishment of religion are not more restrictive than the

Federal...Clause" (pp.9-10).

Article XIV, Section 263 of the Alabama Constitution provides that "No money raised for the support of the public schools shall be appropriated to or used for the support of any sectarian or denominational school" (Opinion, p.10). The Court concluded that Act 90 does not violate this provision because "it does not appropriate money; the grants it provides for are not for the support of the individual schools but are for the benefit of the individual students and the state educational system" (Opinion, p.10).

The Alabama constitutional provision is almost identical with the Alaska provision cited earlier in this report.

Economic Issues. Nelson (1978) noted that "federal institutional aid not designated for students has been an unstable source of revenue for private colleges and universities" (p.85). State aid, on the other hand, has been a reliable source of funding at least for private colleges and universities in states like New York with its "substantial and long-standing programs of both student and institutional aid" (p.88). Still, state aid to institutions and students is a small component of the budgets of both the states and the institutions (p.90).

She raised an important question that must be

answered in any situation where state funding of private education is being introduced or increased: does increased support for private higher education draw support away from the state's own institutions? She noted the concern of the American Association of State Colleges and Universities that there is a trade-off between funding for public and private education:

> No federal or state program to the private sector should be at the expense of public college students ... Choice should never be at the expense of access to higher education (p.95).

To answer this concern Nelson tested the existence of a trade-off by estimating what state aid to public education would have been in the absence of aid to the private sector. Her test model included (1) the effects of the economic position of the state, (2) the priority attached to higher education relative to other demands on the state budget, (3) the size of the public college and university system being financed, (4) the availability of alternatives to financing the public system (i.e. the private sector), and (5) the effect resulting from support of higher education. Her conclusion: without a special effort by the state to aid the private sector (i.e. programs of direct aid to institutions or private-only student aid), there is no problem of a trade-off between

public support for the public and private sectors (p.97).

Bell offered a number of guidelines designed to assure the economic security of independent institutions as well as opportunities for students for both access and choice. The guidelines listed below would serve private institutions without raising the trade-off issue. Bell recommended that state policy:

> 1. Establish a mechanism by which public and private institutions can work cooperatively in sharing ideas, exchanging personnel, and deliberating together in an atmosphere of mutual respect and support;
>
> 2. Narrow the tuition gap among public and private institutions through state funded student aid programs;
>
> 3. Avoid the segregation of students between public and private institutions by income levels and by racial, social and economic backgrounds;
>
> 4. Provide students who meet academic standards an opportunity to attend an independent institution;
>
> 5. Assure that independent and public institutions meet the same standards of academic excellence; and
>
> 6. Provide opportunities for students to choose a college or university that best meets their needs (pp.4-5).

He noted, as did Nelson, the uncertainty of federal funding and made succinct arguments for the obligations of the states to both public and private higher education:

> The governors and state legislators have an obligation to utilize all the higher education resources in the state by developing policies that will meet optimally the higher education needs of all the people.
>
> The public colleges and universities have an obligation to help build a total system of higher education that includes a significant role for the independent institutions (Bell, p.19-20).

At the same time private colleges and universities must "perform at the outer limits of their capacities to carry out an historically unique role in the lives and futures of the American people" (p.19).

Chapter 3

PROCEDURES

State Survey

The first step in determining whether there were programs of state funding that would be legal under the Alaska constitution was to poll other states. Letters were sent to the Executive Officers of the Coordinating Agencies or Governing Boards of Higher Education for 49 states, the District of Columbia, and Puerto Rico. The letters asked for data about grants programs in their states, indicated that tuition equalization grants had been found unconstitutional in Alaska, and asked for information about any constitutional challenges to their programs. Replies were received from 41 states and Puerto Rico. Five states, Arizona, Louisiana, Montana, Nebraska, and Utah, indicated that they did not fund students attending private colleges. The remaining states and Puerto Rico offered one or more grant programs for students attending private colleges. (Table 1).

Table 1

State Programs of Aid to Private Education

Number of agencies/boards contacted:	51
Number of agencies/boards responding:	42
Number of agencies/boards with aid:	37
Number of agencies/boards without aid:	5

Constitutional Review

The summary of the various funding programs (Appendix A) was presented to Dr. Michael Kaelke, President of Sheldon Jackson College, for his consideration. At a meeting with Dr. Kaelke and Dr. Lowell Tornquist, Vice-president for Academic Programs, the various programs were reviewed and it was decided that six states, Michigan, Minnesota, North Dakota, Oregon, Pennsylvania, and Wisconsin, had programs which might serve Alaska's needs. Following this decision, the constitutional provisions and legislative programs of the above states were reviewed (Appendix B). The provisions and programs were studied in light of the Alaska Constitution. On the basis of that study, a course of action for Sheldon Jackson College has been recommended to the President.

Chapter 4

FINDINGS

Program Data

Replies to the survey letter produced the same type of data reported in the 1985-86 NASSGP survey cited earlier. Thirty-six states and Puerto Rico offered 95 grant programs - directly to students, to institutions for redistribution to students, or to institutions for capital improvements. These broke down as follows:

Twenty-four states provided a total of 45 grant programs to students attending public or private institutions of higher education. Some of these were need based, others were based on academic achievement.

Twenty-one states provided 24 grant programs to students attending private institutions. Sixteen of these programs were specified for students attending private institutions. Eight programs were tuition equalization grants.

Eight states made grants directly to the institutions. These varied from work study grants based on federal dollars, to repair and renovation grants, to degree reimbursement and other block grants.

Eleven states had 13 special grant programs for

veterans, adult learners, nurses, and students majoring in education. The last, similar to Alaska's Student Loan program, were "loans" which were fully forgiven if the student completed the degree and taught in either subject shortage or geographical shortage areas. Five states provided grants for graduate study.

The programs which seemed most relevant under Alaska's constitution were those made directly to students attending either public or private institutions of higher education in the state. These fell into two categories: need based and achievement based.

Examples of need-based programs were:

Idaho's Student Incentive Grant Program, which matched federal grants up to $2,000/year;

Minnesota's Grant-in-Aid Program, which paid up to 50% of tuition and fees, room and board, books and supplies;

New Jersey's Tuition Aid Grant, which awarded from $200 to $2,650 a year; and

Ohio's Instructional Grant, which paid up to $1,092/year for students at public institutions, and up to $2,724 for students at private institutions.

Achievement programs included:

Colorado's Merit Based Award;

Massachusett's Commonwealth Scholar Grants, awarded to entering freshmen nominated by their postsecondary schools, up to $1,000/year;

New Jersey's Garden State Scholars Scholarships, $200

to $500/year, and Distinquished Scholars Program, up to $1,000/year; and

Ohio's Academic Scholarships, awarded to scholars from each high school in the state, $1,000/year.

In addition to the above, there were grant programs that matched federal work-study funds, Indian Student Assistance Grants, and Adult Learner Grants. All of these should be constitutional and certainly are politically viable.

Rationale. A number of the states included rationale statements in their program descriptions. Probably the most succinct justification for the various grant programs was made by Wisconsin which stated the program's purpose was to "allow students the relative freedom to choose educational programs on the basis of their interest and abilities, rather than entirely on cost."

Ohio suggested that a combination of state grants, need-based or achievement-based, would offer students " a wider choice of colleges and careers,...lower the amount of work or borrowing needed to finance college, ...ease the burden of rising educational costs for families, and...protect the student against unforeseen circumstances that affect levels of family support."

New Jersey offered an excellent rationale in its introduction to grant legislation. It stated in part:

> Independent institutions make an important contribution to higher education in the state and it is in the public interest to assist these institutions in the provision and maintenance of quality academic programs. The provisions of this act will serve the cause of higher education in the state by assuring maximum educational choice among colleges and universities through the preservation of the vitality and quality of independent institutions of higher education in the state.

Review of Specific Programs

As mentioned above, a detailed review was conducted of the programs and the constitutional provisions of six states: Michigan, Minnesota, North Dakota, Oregon, Pennsylvania, and Wisconsin. Several of the programs in these states would be appropriate in Alaska. Achievement based programs included:

> Michigan's Competitive Scholarship Program, which made awards to top scoring applicants who showed financial need;
>
> Michigan's Legislative Merit Award Program, which authorized $1,000 non-renewable scholarship awards to the 1,000 top scoring students;
>
> Oregon's Cash Award Program, which provided a single cash award on the basis of academic achievement and scholastic aptitude as well as financial need; and
>
> Pennsylvania's Scholars in Education Program, which provided awards of up to 50% of annual tuition to high school seniors who wished to teach science or math and

who met PHEAA qualifications.

Need-based grants included:

Minnesota's Scholarship Program, which identified talented students and provided assistance for those students who demonstrate financial need and wish to continue their education in Minnesota;

Minnesota's Grants-in-Aid Program, which provided assistance for students with need in order to encourage their postsecondary education;

Oregon's Needs Grant Program, which provided grants solely on the basis of financial need to students attending eligible public and private institutions in the state. Awards ranged from $654 for students at a community college to $1,344 for students at a private institution; and

Pennsylvania's Scholarship Program, which was both need based and achievement based. The minimum scholarship was $100 and the maximum $1,500 per academic year.

Constitutional Review

Several states in the review required, as did North Dakota, that education be "free from sectarian control." No state prohibited funding of higher education for private educational institutions in general. Michigan's constitutional restriction related only to pre-elementary, elementary, and secondary schools. Minnesota was restricted from appropriating public money or supporting schools wherein "the distinctive doctrines, creeds, or tenets of any particular Christian or other

religious sect are promulgated or taught." Oregon required that "no money shall be drawn from the treasury for the purpose of any religious or theological institution." Pennsylvania prohibited funding for "any denominational or sectarian institution," but specifically provided that "appropriations may be made in the form of scholarship grants or loans for higher educational purposes..." The Wisconsin constitution provided for the establishment of a state university and prohibited "sectarian instruction ...in such university," but the Wisconsin Court has ruled that establishment of "a state educational system for higher learning...does not preclude appropriation to private, nonprofit educational institutions for public purpose" (State ex rel. Warren v. Reuter (1969) 170 N.W. second 790 Wis. 2d, 201).

None of the states in the review had constitutions as close to Alaska's as the constitution of the State of Alabama. Although it provided that "No money raised for the support of the public schools shall be appropriated to or used for the support of any sectarian or denominational schools," the court held in Alabama Education Association et. al. v. Fob James et. al. Op.#77-783, (Alabama 1979) that Alabama's program of Tuition Equalization was constitutional because "it does not appropriate money" and

"the grants it provides are not for the support of any individual schools but for the benefit of individual students."

Alaska Opinions

The grants of specific states were reviewed in light of the Alaska constitution. The Alaska Supreme Court held in Sheldon Jackson College v. State of Alaska , 599 P2d 127 (Alaska, 1979), that "while a direct transfer of funds from the state to a private school will of course render a program constitutionally suspect, merely channeling the funds through an intermediary will not save an otherwise improper expenditure of public monies." The Court noted that "a trivial, though direct benefit may not rise to the level of a constitutional violation, whereas a substantial through indirect benefit may." The Court found the benefits bestowed under the tuition grant program to be "substantial."

Attorney General Hal Brown's memorandum on the constitutionality of the Alaska Student Loan Program (December 12, 1985) addressed the issue of substantial benefit. He noted:

The issue in Sheldon Jackson College v. State

Alaska was whether Alaska's tuition grant program provided "direct benefits" to a "religious or other private educational institution" in violation of the Alaska Constitution. The tuition grant program provided funds only to private institutions and thus created an incentive to enroll in one. The student loan program, on the other hand, is available on equal terms to students who enroll in public and private institutions; it is neutral. The direct benefits clause of article VII, Section 1, is not implicated (emphasis added).

Brown earlier noted:

> The fact that student loans are available to students who attend a broad spectrum of public and private schools is likely to be of greater constitutional significance than the existence of tangible benefits to religious or other private institutions.

Chapter 5

CONCLUSIONS AND RECOMMENDATIONS

Legislative Programs

It is clear from the study that there are programs of public funding for private higher education that will meet Alaska's constitutional restrictions. The key is to draft legislation that provides grants - need based or achievement-based - that are made directly to students. The Alaska Supreme Court noted in Sheldon Jackson College that "a trivial, though direct benefit may not rise to the level of a constitutional violation." Attorney General Hal Brown interprets this in his December 12, 1985, opinion about the student loan program: "The ... program ... is available on equal terms to students who enroll in public and private institutions; it is neutral." With these constitutional points in mind, legislation should be limited to direct grants to students. Alaska's students would best be served by a combination of need based and achievement based grants. Although such grants might be used outside of Alaska, for maximum benefit to the state, the program(s) should be limited to use in state. This is the pattern in other states, except for educational programs not provided within the state. An in-state

program would also encourage Alaska's best students to stay in Alaska.

Need Grants. New Jersey's Tuition Aid Grants Program would serve as a good model for the needs-based program. It provides grants solely on the basis of financial need to students attending eligible public and private institutions in the state. The amount of the grant depends upon the student's need, the cost to attend college, and the funds available for distribution to students. For the 1985-86 academic year, grants ranged from $200 to $2,300 a year based upon the student's need and college choice. Grants are renewable annually based upon satisfactory academic progress and continued eligibility.

Oregon's Need Grant Program (Appendix C) provides grants to full or half-time undergraduate students who demonstrate financial need as determined by the Commission and who are attending an eligible institution in the state. The Need Grant varies in amount from $100 to $1,500 per academic year and may equal the sum of tuition and required fees, not to exceed $1,500 per academic year.

Alaska legislation should leave the determination of the exact amount to the Alaska Postsecondary

Commission. Legislation could set a maximum, such as 50% of the cost of tuition, books, fees, and room and board; or it could specify, as does the Alaska Student Loan Program, that the student contribute $500 towards expenses. In any case, it is important not to base Alaska grant awards on a percentage of tuition alone, since a constitutional challenge could be made on the basis that students attending private colleges would thereby receive larger grant awards than those attending public colleges.

Achievement Grants. Pennsylvania's Scholars in Education Program would serve as a model for an achievement based program. It provides awards of up to 50% of the cost of tuition. Although the Pennsylvania program is designated for students planning to study science or math, the Alaska program need not be that specific. New Jersey's Distinguished Scholars Program is also a good model. Students demonstrating the highest level of academic achievement based upon their secondary school records and Scholastic Aptitute Test (SAT) scores are selected for consideration by their schools. From these selections awards are offered to secondary school seniors who intend to enroll at an in-state college or university as full-time undergraduate students. Recipients must be

residents of the state. Financial need is not a factor in determining eligibility. Students selected as scholars may also be eligible for other types of grants. Students accepting the awards receive $1,000 per year throughout their undergraduate program. Scholar awards are renewable based upon satisfactory academic progress, continued undergraduate enrollment in an in-state college or university, and continued program funding.

Most aspects of Oregon's Cash Award Program (Appendix D) would work in Alaska. For a student to be eligible, s/he must be a U.S. citizen and a state resident attending an eligible two- or four-year non-profit accredited institution of higher learning in the state. The student shall have demonstrated high intellectual achievement and superior capacity to profit by post-secondary education. Appicants must provide the Commission with high school G.P.A. scores and scores of the Scholastic Aptitude Test or American College Testing Assessment Battery. The award may vary in amount from $100 to $1,000 per academic year. Oregon requires that students supported by this program also demonstrate financial need. I suggest that an Alaska Academic Grant program be based on achievement alone.

Terms to be Defined

In drafting the legislation certain terms will need to be defined. Oregon's legislation serves as a good model. Definitions which we might use include:

> "Private and independent institutions of higher education" means any accredited non-public college or university in the State;
>
> "Accredited" means that the institution has been examined by the Northwest Accrediting Association of Secondary and Higher Schools;
>
> "Non-sectarian" means the providing of instruction in secular subjects; and
>
> "Secular subjects" means any course which is presented in the curriculum of an institution of higher education and which does not advocate the religious teachings or the morals or the forms of worship of any sect.

Such other terms as "undergraduate student," "approved course work," and "resident" have already been defined for the Alaska Student Loan Program and are easily transferable to grant legislation.

Drafting the Legislation

I suggest that once the college administration determines which program or programs to propose to the legislature, an outline or draft of the proposed legislation be prepared. If one of the attached programs seems suitable, it can be used as a model. Ultimately, the

Legislative Affairs Office will draft the legislation, but the more specific we are, the better our chance of success.

Promoting the Legislation

In this period of budget cut-backs, it may be difficult to establish a new funding program. However, several arguments can be made in support of the legislation. First, a proportion of the grant funds could be diverted from funds currently designated for the Alaska Student Loan Program. Since up to 50% of those loans are forgiven for students who graduate and remain in the state, it could be argued that 50% of the funds normally appropriated for students loans could be appropriated for grants.

Second, cut-backs have affected the budgets of the state unversity and community college systems. If need-based and achievement-based grants were available for students, those systems could offset their cuts with tuition increases.

Third, grants that are available for use in-state would eliminate, to some degree, the brain-drain. Currently almost 50% of Alaska's college bound students matriculate outside of Alaska. Many of these students do not return. An in-state grant program would encourage

students to stay in Alaska. At the same time, the Loan Program would remain in force for students choosing to go to school elsewhere.

Finally, the greatest natural resource of Alaska is its people. In addition to students who progress to college directly after high school graduation, Alaska has large numbers of students, the so-called non-traditional students, returning to college after several years in the work force. Sheldon Jackson College has always dealt with the special needs of the non-traditional student. The majority of the Sheldon Jackson College student body is Alaska Native. Non-traditional students on the Sheldon Jackson campus include older students, single parents, and married couples who are both attending college. Every year a number of these students drop-out because of financial problems; problems often related to insufficient funding or ineligbility for federal funding. We can argue, as does Ohio, that a combination of need-based and achievement based grants would offer students a wide choice of colleges and careers, lower the amount of work or borrowing needed to finance college, ease the burden of rising educational costs for families, and protect the students against unforeseen circumstances that affect levels of family support.

Recommendations

1. Sheldon Jackson College should seek legislation that provides need-based and achievement based grants to students attending accredited institutions of higher education in Alaska.

2. Need based grants should be based on a percentage (50% or higher) of tuition, books, fees, room and board. It should not be based on tuition alone since this would open the legislation to a constitutional challenge.

3. Achievement based grants should be based on academic ability and achievement. Financial need should not be a factor, but students selected for the grants should be eligible for other types of grants. The achievement based grants should be renewable, contingent on academic performance.

4. Funding for the grant programs could come from a redistibution of a portion of the funds usually allocated for the Alaska Student Loan Program. The Loan Program should remain in force for students who choose to go to school elsewhere or who are otherwise not eligible for one of the grant programs.

5. Sheldon Jackson College should draft the proposed legislation or should work closely with the Legislative Programs Agency in preparing the legislation.

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APPENDIX A

STATE PROGRAMS OF AID TO PRIVATE HIGHER EDUCATION

State Programs of Aid to Private Higher Education

Introduction: Please note that, unless otherwise stated, the programs are for undergraduate resident students attending public or private institutions of higher education within the state making the award. Although some state programs may be used by student to attend institutions in neighboring states, this information is not pertinent to our study and has not been included.

Alabama: Alabama Student Grant Program
Students at private non-profit institutions
Similar to tuition equalization, but maximum award limited to $600/year

Arkansas: Governor's Scholars Program
Undergraduate students, full-time, at public or private colleges or universities, with a GPA of 3.6 or higher
$2,000/year, renewable

Arkansas Student Assistance Grant Program
Undergraduate students, full-time, need-based
Maximum Of $700/year

California: Student Grant Aid
Students, based on need and academic achievement, attending institutions eligible to participate in Pell grant and other federal programs

Colorado: Need-Based Grants
Students, need-based, at public or private institutions
Award based on that portion of need which would have existed if the institution's tuition were no greater than highest in-state tuition charged by a comparable state institution

Merit-based Awards
Students, based on academic achievement
Award based on above criteria

State Work-study
Students, both need and without regard to need

Connecticutt:Scholastic Achievement Program
Students, based on achievement and need
$1,500/year

Independent College Student Grant Program

Connecticutt residents at state independent institutions
formula

State Supplemental Grant/Work Study
Institutions, based on federal dollars
$1,500/student

Scholastic Fund for Veterans
Viet Nam veterans

Florida: Tuition Voucher
Students at private colleges, similar to Tuition Equalization

Student Assistance Grant
Students based on need
$1,200/year

Academic Scholarship Fund
Students based on academic achievement

Georgia: Tuition Equalization
Students
$825/year

Idaho: State of Idaho Scholarship Program
Students, based on academic achievement
$1,500/year, renewable

State Student Incentive Grant Program
Students, need-based, matched with federal grants
Up to $2,000/year

Illinois: Financial Assistance Act for Nonpublic Institutions of Higher Education
Private institutions, based on FTE of Illinois students

Build Illinois Program
Private institutions, repair and renovation grants

Iowa: Iowa Tuition Grant Program
Undergraduate students, full or half time, at private institution, need based
Up to $2,350/year full-time, $1,175/year half-time

State of Iowa Scholarship Program
Students, academic achievement
Up to $600/year

Kansas: Tuition Grant Program
Students: Similar to Tuition Equalization Grant
Pays half the difference between the private institution and the public institution
$1,270/year

Kentucky: Student Incentive Grant
Students at public or private colleges, need based
$500/year

Kentucky Tuition Grant
Students at private institutions, need based
$1,200/year

Kentucky Distinguished Student Recognition and Scholarship Award Program
Students at Kentucky postsecondary institutions, based on academic excellence
$500/year

Teacher Scholarship Program
Recipients must teach at Kentucky public schools on a semester for semester basis or repay the award with interest
$5000/year

Massachusetts: General Scholarship
Students, full-time. at state approved post-secondary institutions
$400-$1,460/year, renewable

Gilbert Matching Scholarship
Students, full-time, at independent, regionally accredited institutions, need-based
Determined by financial aid office

Commonwealth Scholar
Students, freshmen, full-time, nominated by secondary school
Up to $1,000/year

Graduate Grant
Graduate students, full-time, need-based
Up to $2,000/year for public, $4,000/year for independent colleges or universities, renewable

Adult Learner
Undergraduate students, full-time, eligible for AFDC

Up to $1,460/year

Teacher Incentive Grant
Undergraduate students, full-time, who agree to teach full-time
Up to $1,000/year for public, $2,000/year for independent colleges or universities

Maryland: State Financial Aid Programs
Students at public or private colleges

State Aid to Nonpublic Institutions
Similar to Tuition Equalization, based on FTE

Matching Funds for Capital Construction to Independent Institutions

Michigan: State Scholarship Program
Students at degree-granting private institutions, need based

State Tuition Grant Program
Students at degree-granting private institutions, need based

Differential Grant Program
Full or part time students at independent Michigan colleges, not based on need

Degree Reimbursement Program
Direct grant to colleges based on number of Michigan students

Minnesota: Scholarship Program
Undergraduate students, scholastic achievement and need-based, public or private institutions
Up to 50% of tuition and fees charged, plus allowance for room and board, books and supplies, at public institutions, up to 50% of the same costs at private institutions, with maximum allowance for tuition and fees at $4,063, renewable

Grant-in-Aid Program
Undergraduate students, need-based, public or private institutions
Same as above, renewable

Part-time Student Grant Program
Part-time students, graduate or undergraduate,

need-based
Cost of tuition and fees at institution or at University of Minnesota, whichever is less

Veterans' Dependents Student Assistance Program
Dependents of veterans declared POW's or MIA's after August 1, 1958
Tuition and fees at public post-secondary institutions, up to $250/year at private institutions

Minnesota Work-Study Program
Institutions, supplements Federal Work-Study Program
Funds awarded to institutions based upon estimated use in previous fiscal year

Mississippi: State Tuition Incentive Funds
Institution
Matches federal block grants

State Incentive loans/grants
Students preparing to teach math and science

Missouri: Missouri Student Grant Program
Students at public or private college
$70 to $1500/year depending on need and cost

New Hampshire: New Hampshire Incentive Program
Students, public or private institutions

Governors' Scholars Program
Students, based on academic achievement, at public or private institutions

Nursing Scholarship Program
Students, nursing, public or private institutions

New Jersey: Tuition Aid Grant (TAG)
Undergraduate students based on need and cost, at public or private colleges and universities
$200-2650/year

Education Opportunity Funds
Undergraduate or graduate student based on need and cost, at public or private colleges and unversities
$200-1400/undergraduate/year, up to $4,000/graduate/year

Garden State Scholars Scholarships
Students, based on high achievement, Public or Private institutions

$200-500/year

Distinguished Scholars Program
Students, based on highest level of academic achievement, public or private institutions
$1,000/year

Aid to Independent Colleges
Institutions, direct grant to independent institutions

New Mexico: Student Choice Program
Independent institutions, to disburse to students, need-based

New York: State Financial Aid Programs
Students at state or private institutions

New York State Bundy Aid
Independent institutions, based on number and level of degrees awarded in the previous academic year

North Carolina: Tuition Grant Program
Students at private colleges
Per capita grant not based on need

State Student Incentive Grant Program
Students in public or private colleges

State Contractual Scholarship Fund
Institutions, grant to colleges for financial aid
$300/student

North Dakota: Tuition Assistance Grant Program
Students attending private colleges*

Ohio: Ohio Instructional Grant (OIG)
Students, nneed-based, at public or private institutions
$174 to $1,092/year for public institutions, $435 to $2,724/year for private institutions

Ohio Academic Scholarship
Students, outstanding scholars from each high school in Ohio
$1,000/year, renewable

Ohio Teachers Education Loan Program
Full or half-time students in education, GPA of 2.5 or above, requires commitment of service in subject shortage areas

$5,000/year up to $15,000 with up to $15,000 forgiven at rate of 20% per year or 25% if teaching in a geographical as well as subject shortage area

Oklahoma: Oklahoma Tuition Aid Grant Program
Undergraduate or graduate students, full or half-time, need-based
Maximum of $1,000/year, renewable

Future Teachers Scholarship Program
Undergraduate students, full or part-time, based on academic achievement
Up to $1,500/year for full-time, $750/year for part-time, renewable

Oklahoma Teacher Education Loan Program
Students in an approved teacher education program, with a GPA of at least 2.5, must sign a statement of intent to teach in a field of critical shortage in Oklahoma public school system
Up to $3,400/year, for 3 years, forgiven on a year by year basis

Oregon: Need Grants
Students at public or private institutions, based on need
$654-733/year at public, $936-1,344/year at private institutions

Cash Award
Students, based on academic achievement, scholastic aptitude, and need
$672/year

Purchase of Educational Services from Independent Colleges (PESIC)
Institutions, grants to private institutions
$600/student/year

Pennsylvania: State Grant for Veterans
Veteran at any 4 year college or university and at any 2 year college in Pennsylvania
$1,650/year in-state, $800/year out-of-state

Institutional Assistance Grants
Private institutions, ear-marked for educational costs

Puerto Rico: Educational Fund

Student at private school

Legislative Scholarships
Student at private school, need based

South Carolina: Tuition Grants
Students in private institutions, based on need and academic merit
$2,100/year

South Dakota: Student Incentive Grant
Students at public or private institutions

Tuition Equalization Grant
Student at private institutions

Superior Scholar Scholarships
Student at public or private institutions

Texas: Tuition Equalization Grant
Students at independent colleges based on need
$1,880/year

State Student Incentive Grant
Students at independent colleges based on need
$1,000/year

Vermont: Vermont Incentive Grants
Undergraduate students, need-based
$2,750/year plus $1,200 if at independent college

Part-time Students Grants
Undergraduate students, need-based

Vermont Senatorial Scholarships
Undergraduate or graduate students, need-based
$100-300/year

Vermont Student Employment Program
matches funds with non-profit employers

Virginia: Tuition Assistance Grant Program
Students at private accredited, non-profit institutions
Matched to average appropriation/full time student at state institutions

Washington: State Need Grant
Students, need-based, at public or private institutions

State Work Study
Students, need based, at public or private institutions
Students attending private institutions must be employed off-campus, employers are reimbursed directly

Teacher Incentive Loan
Students in education programs

West Virginia: West Virginia Higher Education Grant
Students at public or private colleges, need based
Tuition and fees up to $2,135/year

Wisconsin: Talent Incentive Grants
Students, based on need and academic progress

Tuition Grants
Students enrolled at colleges with tuition in excess of that charged at University of Wisconsin

Indian Student Assistance Grants
Indian students (1/4) based on need

APPENDIX B

SUMMARY OF CONSTITUTIONAL PROVISIONS AND LEGISLATIVE PROGRAMS IN KEY STATES

Summary of Constitutional Provisions and Legislative Programs

in Key States

I. Michigan

A. Constitutional Provisions (Art.8, Para. 2):

1. Provision: No public monies or property shall be appropriated or paid or any public credit utilized ... directly or indirectly to aid or maintain any private, denominational or other non-public pre-elementary, elementary or secondary school.

2. Commentary: Proscription of this section on state aid to a nonpublic school forbids aid that is a "primary" element of the support and maintenance of a private school, but permits aid that is only "incidental" to a private school's support or maintenance.

B. Funding Programs (Michigan Annual Report, 1984-85):

1. General regulations re Scholarship and State Tuition Grant Programs:

a. Available to students attending degree-granting private colleges within the State of Michigan.

b. Not available to students enrolled in programs of theology or divinity.

2. Michigan Competitive Scholarship Program (Act 208, 1964):

a. Students who participate in the Amercian College Testing Assessment (ACT) and who authorize release of their scores to the State of Michigan form the total applicant pool.

b. The top scoring applicants (about one-third of the total pool) are designated Michigan Competitive Scholarship qualifiers. All qualifiers submit a combined application/financial statement. Competitive scholarships are awarded to students who receive a qualifying score on the examination and who show financial need for the award.

c. Recipients may use their award at any eligible public community college, public college or university, or approved independent nonprofit degree

or nondegree institution in the State of Michigan.

d. An award recipient can receive up to $1,200, the cost of tuition and fees, or financial need, whichever is smallest.

3. Tuition Grant Program (Act 313, 1966):

a. Program provides students the opportunity to attend a private, degree granting, nonprofit Michigan institute of higher learning.

b. Awards are issued to eligible full-time or part-time applicants on the basis of financial need. Relative need is used for award determination by comparing the theoretical dollar amount which would be available from the family to meet college costs with the budget of the institution the applicant plans to attend.

c. Student who shows financial need can receive up to $2,200, the cost of tuition and fees, or financial need, whichever is smaller.

4. Legislative Merit Award Program (Act 228, 1976):

a. Act authorizes 1,000 scholarships to the 1,000 top scoring students in the amount of a $1,000 nonrenewable award without regard to family finances. (N.B. funds were appropriated for this program through 1981. No funds have been appropriated since then.)

b. Recipient may use the award to attend any approved postsecondary institution in the United States.

5. Differential Grant Program (Act 102, 1978):

a. Awards are made to students enrolled in an independent, eligible, nonprofit degree-granting college or university in Michigan.

b. Financial need is not a basis for determining award eligibility. Students apply at the time of registration at an eligible institution.

c. Awards are $400 for full-time students and $200 for parttime students.

6. Degree Reimbursement Program: private colleges are

partially reimbursed each year based upon the number of degrees granted to Michigan residents.

II. Minnesota

A. Constitutional Provisions (Act 13, Para. 2): In no case shall any public money or property be appropriated or used for the support of schools wherein the distinctive doctrines, creeds, or tenets of any particular Christian or other religious sect are promulgated or taught.

B. Funding Programs (Report to the Governor and 1985 Minnesota Legislature, 1985):

1. Scholarship and Grant-in-Aid Program;

a. The objective of the scholarship program is to identify talented students in the state and provide financial assistance for those students who demonstrate financial need and wish to continue their education at Minnesota institutions of their choice.

b. The objective of the grant-in-aid program is to provide financial assistance for students with need and to encourage their postsecondary educational development at the Minnesota institutions of their choice.

c. Minnesota residents who will be full-time, first-year undergraduate students at one of more than 160 eligible post-secondary schools in the state may apply for scholarships. Awards are based on financial need and scholastic achievement as indicated by high school rank.

d. Residents who will be full-time students may apply during any year of their undergraduate study for grants. They must be a graduate of a secondary school or its equivalent.

e. Students may apply each year to renew their awards; however, they must maintain satisfactory progress toward completion of their program as defined by the school.

f. Eligible institutions are determined by the Board each year. THey must be accredited by a federally recognized accrediting agency or association, approved to offer degrees or use terms in their names according to the Private Institution

Registration Program, or be licensed by the appropriate state agency.

g. All applicants are required to contribute at least 50% of the cost of attendance from savings, loans, earnings, or other assistance from institutional or private sources. The remaining 50% is first met by a contribution from parents and then by a combination of federal Pell Grant and State Scholarship and Grant awards.

(1) The cost of attendance consists of tuition and fees plus the allowance established by the Board for room and board, books, supplies, and miscellaneous expenses.

(2) For students attending public institutions, tuition and fees are the actual amount charged.

(3) For students attending private institutions, tuition and fees are limited to the cost of instruction per FTE student in comparable public institutions. The amount was not to exceed $4,063 in 1984-85 for students attending private four-year institutions.

III. North Dakota

A. Constitutional Provisions (Article VIII, Section 147):

1. The legislative assembly shall make provision for the establishment and maintenance of a system of public education open to all children of the state of North Dakota and free from sectarian control.

2. A "sectarian school" is a school affiliated with a particular religious sect or denomination or under the control or governing influence of such sect or denomination (Gerhardt v. Heid, 66 ND 444, 267 NW 127).

B. Court Challenges:

1. In 1979 the Tuition Assistance Grant Program was enacted and provided that "any full-time resident student or half-time resident student who is admitted to and attends an accredited private institution and who establishes financial need is eligble for a tuition assistance grant upon application to the agency" (1979 N.D. Sess. L. Ch. 269, Para.3).

a. An accredited private institution was defined as

"an institution of higher learning located in North Dakota which is operated privately and not controlled or administered by any state agency or subdivision of the state and which is accredited by the North Central Association of Colleges and Secondary Schools (1979 N.D. Sess. L. Ch. 269, Para.1).

b. Mary College and Jamestown College were the only two institutions of higher learning in the state that came within that definition. These colleges were operated under the auspices of the Catholic and the Presbyterian churches respectively.

2. In 1981, the definition of an accredited private institution was expanded to include institutions accredited by "the accrediting association of bible colleges" (1981 N.D. Sess. L. Ch. 228, Para. 1).

3. In 1983, the assistance program as it applied to bible colleges was found unconstitutional on the basis that it violated the Establishment Clause of the first amendment to the United States Constitution (d'Errico et. al. v. Lesmester (U.S.D.C.N.D., 1983) A3-81-185).

C. Funding Programs:

1. Tuition Assistance Grant Program, Chapter 15-62.3

a. The maximum amount of a tuition assistance grant to a qualified full-time resident student for each academic year consisting of two semesters is the lesser of:

(1) the amount of the student's financial need for that period,

(2) the difference between the tuition charged by the accredited private institution and the highest undergraduate tuition charged by state colleges or universities, or

(3) one thousand five hundred dollars.

b. The maximum amount of tuition assistance to a qualified half-time resident student is one-half the amount that would be awarded a full-time student.

IV. Oregon:

A. Constitutional Provisions:

1. No money shall be drawn from the Treasury for the benefit of any religious or theological institution (Article I, Section 5).

2. The Legislative Assembly shall provide by law for the establishment of a uniform and general system of common schools (Article VIII, Section 3).

3. Provision shall be made by law for the distribution of the income of the common school funds among the several counties of the state in proportion with the number of children resident therein between the ages, four and twenty years (Article VIII, Section 4).

B. Constitutional Challenges:

1. In 1981, the PESIC Program (Purchase of Educational Services from Independent Colleges) was challenged by the American Civil Liberties Union on the basis that it was unconstitutional under Article I, Section 5 of the Oregon Constitution, the Establishment Clause of the First Amendment, and the Fourteenth Amendment of the U.S. Constitution (Cogan v. Atiyeh et. al. (U.S.D.C. OR., 1981) C. 81-136).

a. Article I, Section 5, of the Oregon Constitution provides that: "No money shall be drawn from the treasury for the purpose of any religious or theological institution."

b. This provision was interpreted in the case of Dickman v. School District No. 62C, 232 or 238, 366 P2nd 533, 371 U.S. 873 (1962) as follows:

> Where the aid is to pupils and to schools, the benefit is identified with the function of education and if the educational institution is religious, the benefit accrues to religious institutions in their function as religious institutions...Granted that pupils and not schools are intended to be the beneficiaries of the state's bounty, the aid is extended the pupil only as a member of the school which he attends. Whoever else may share in its benefits such aid is an asset to the schools themselves.

2. In 1982, the case was dismissed as moot as a result of withdrawal from the PESIC program by eight colleges with significant religious affiliations (Release by Plaintiffs, 9/8/82)

3. Private colleges and universities that remain in the program include: Lewis and Clark, Lynnfield, Pacific University, Reed, the University of Portland, and Willamette.

C. Funding Programs:

1. Need Grants:

a. Grants to undergraduate students who are Oregon residents and who enroll in one of 42 eligible Oregon institutions, public and private.

b. Awarded solely on the basis of financial need.

c. Amounts of the awards vary, depending on the level of need and the institution attended. 1984-85, maximum awards at community colleges, $654; at public four-year colleges, $735; at private institutions, $936 to $1,344 depending upon tuition costs.

2. Cash Award Program:

a. Grant awarded on the basis of academic achievement and scholastic aptitude as well as financial need.

b. Single cash award of $672 for each recipient.

3. Purchase of Educational Services from Independent Colleges:

a. State reimburses 10 independent colleges in Oregon for a portion of the costs of secular education which they provide for undergraduates who are residents of Oregon.

(1) Private and independent institutions of higher education are defined as "any nonpublic ... college or university in the State of Oregon accredited by the Northwest Association of Secondary and Higher Schools..."

b. In 1984-85 individual reimbursements were made at the rate of $600 for each eligible FTE student in attendence. Funds are restricted for the use of student aid for Oregon residents.

V. Pennsylvania

A. Constitutional Provisions:

1. No appropriation shall be made for charitable, educational, or benevolent purposes to any person or community nor to any denominational and sectarian institution, corporation, or association; provided, that appropriations may be made ... in the form of scholarship grants or loans for higher educational purposes to residents of the Commonwealth enrolled in institutions of higher learning except that no scholarships, grants, or loans for higher educational purposes shall be given to persons enrolled in a theological seminary or school of theology (Art. 3, Section 29).

2. Historical notes on the above indicate that:

a. the section seems to "contemplate certain instances in which public monies may properly be expended in the course of educational activities having a connection with church-related institutions (p. 105)."

b. the section suggests state constitutional sanctions for payment of scholarship grants for higher education in those church-related institutions not teaching theology (p. 106).

B. Funding Programs:

1. Commonwealth Act Granting Scholarships, No. 541 P.L. 1546, January 25, 1966, including legislation enacted up to December 1, 1978.

a. The purpose of the act is to "establish a broad-scale State scholarship program designed to guarantee that the most able students from all sectors of the Commonwealth, the most needy students and students with the capability to successfully complete postsecondary educational programs, and deserving postsecondary students are given the opportunity to continue their program of self-improvement in an institution of higher learning of their choice."

b. The program is administered by the Pennsylvania Higher Education Assistance Agency.

c. To be eligible for the program, a student must:

(1) be a citizen of the United States or taking

steps to become a citizen,

(2) be a resident of the Commonwealth of Pennsylvania, or, if under 18 years of age, have a supporting parent or guardian who is a resident,

(3) be a graduate of, or attending, an approved high school,

(4) be enrolled, or will be enrolled in the fall semester immediately following his/her graduation, as a full-time student at an institution of higher learning,

(5) meet the qualifications of "financial need," character and academic promise, as well as academic achievement as established by the agency.

d. The scholarship recipient is free to attend any approved institution of his/her choice and apply the scholarship toward the tuition, room, board, books, and fees of the institution.

e. Rosters of potential scholarship recipients are set up by the agency on the following basis:

(1) students who show the greatest potential to perform at the highest level of academic achievement,

(2) students who are able to do postsecondary study and who are in the greatest financial need for assistance to pursue their course of study,

(3) students currently enrolled or accepted for enrollment in approved postsecondary programs who are successfully pursuing a course of study or who have been accepted as first year undergraduate students and are in the greatest financial need to complete their educational program.

f. The agency has the power to create categories of scholarship recipients according to the type of institution they are attending or any other criteria which the agency deems advisable (see SEA program below).

g. Scholarships awarded to secondary school

graduates selected because of ability or potential (category 1) are awarded as follows: the financial need of the highest ranked student shall be met through appropriations allocated by the agency for such purpose; and the fiancial need for the next highest ranked student shall be met in turn until the total allocation for such purpose shall be disbursed.

h. Scholarships awarded to secondary school graduates selected because of financial need (category 2) are awarded as follows: the financial need of the highest ranked student shall be met through appropriations allocated by the agency for such purposes; and the financial need of the next highest ranked student shall be met in turn until the allocation has been disbursed.

i. Scholarships awarded to students currently enrolled or accepted for enrollment in an approved program (category 3) are determined by rules and regulations drawn up by the agency.

j. All scholarship awards are based on financial need, the minimum scholarship being $100 and the maximum being $1,500 per academic year.

k. Each scholarship is renewable until the undergraduate course of study is completed but not to exceed an additional three academic years beyond the first year of the award.

2. Scholars in Education Program (SEA): developed by PHEAA to help remedy the need for teachers of science and math in Pennsylvania secondary schools.

a. Highly qualified high school seniors who wish to teach science or math and who meet the qualifications set by PHEAA can receive an award from $1,500 up to 50% of their annual tuition.

b. They must agree to teach math or science in a Pennsylvania secondary school and must repay the award plus interest if they do not keep that commitment (Paying for Postsecondary Education, p.12).

3. Commonwealth Act Creating Institutional Grants, No. 174, including 1974 session amendments.

a. Eligible institutions are independent

institutions of higher education located in and chartered by the Commonwealth, which are neither state-owned , state-related, or a community college, are operated not for profit, are determined by the agency not to be a school of theology or a sectarian and denominational institute.

b. The agency shall allot, on behalf of each Pennsylvania State scholarship student attending the eligible institution, an assistance grant not to exceed $400 per student.

c. Assistance Grant funds shall be maintained in a separate account and are not to be comingled with other funds of the eligible institution. The moneys in the fund may be used only for or in connection with educational expenses.

VII. Wisconsin

A. Constitutional Provisions:

1. Provision shall be made for the establishment of a state university at or near the seat of government, and for connecting with the same, from time to time, such colleges in different parts of the state as the interests of education may require. The proceeds of all lands that have been or may hereafter be granted by the United States for the support of a university shall be and remain a perpetual fund to be called "the university fund," ... and no sectarian instruction shall be allowed in such university (Article 10, Section 5).

2. Opinion re the above: Maxim expressio unius est exclusio alterius (the doctine that "expression for one excludes others") is not applicable to the constitutional mandate to establish state educational system for higher learning, such mandate being not grant of power but direction for exercise, and such mandate does not preclude appropriation to private, nonprofit educational institutions for public purpose (State ex rel. Warren v. Reuter (1969) 170 N.W. 2nd 790, 44 Wis. 2d, 201).

B. Programs:

1. Wisconsin Higher Education Grants (HEAB Update, October 1985)

a. Students are eligible if:

(1) they are enrolled at least half-time as a regular student in an eligible institution,

(2) they are a Wisconsin resident and a U.S. citizen or an eligible non-citizen,

(3) they have a need (need is the difference between cost of attendance and the amount the student and family can pay as determined by Uniform Methodology Needs Analysis),

(4) they are making satisfactory progress as determined by the institution they are atending.

2. Tuition Grant Program

a. Awards are made to students enrolled in nonprofit colleges, universities, vocation/technical schools, and nursing schools in Wisconsin which charge tuition in excess of that charged by the University of Wisconsin-Madison. The program's purpose is to allow students the relative freedom to choose educational programs on the basis of their interests and abilities rather than entirely on costs.

b. The Board determines eligibility for a grant based on the following formula:

(1) net tuition (the institutional tuition minus the institutional fee at UW-Madison),

(2) total cost (institutional tuition and fees plus the standard noninstructional cost),

(3) family contribution percentage (net tuition divided by total cost),

(4) adjusted family contribution (tuition offset),

(5) grant (net tuition minus tuition offset) up to a maximum of $2,172 for 1986-87.

3. Talent Incentive (TIP) Component

a. The purpose of TIP is to provide supplemental grant awards to severely needy nontraditional students. TIP awards are available to students for the first two years of their educational experience and are designed to reduce the need for self-help

aid (loans and work-study) during the period of greatest academic vulnerability.

b. TIP awards to students enrolled in independent institutions are based on relative need up to $1,800.

c. To be eligible for TIP, students must meet the general criteria outlined above and possess at least two of the following characteristics:

(1) a dependent student whose expected parents' contribution is $200 or less,

(2) a student who is or will be enrolled in a special academic program due to insufficient preparation,

(3) the family, if the student is dependent, or the student, if independent, is receiving welfare benefits,

(4) the student is a member of a minority group,

(5) the parent or parents of dependent students, or the applicant, if independent, is ineligible for unemployment compensation and has no current income from employment,

(6) the student is a first-generation post-secondary student, a handicapped student, or is currently or was formerly incarcerated in a correctional institution.

4. Indian Student Assistance Program.

a. To be eligble for the program a student must be one-quarter degree Indian blood, a Wisconsin resident, accepted for enrollment in an eligible Wisconsin institution of higher education, and complete the Financial Aid or Family Financial Statement forms showing financial need.

b. The maximum award under the program is $1,800. The actual amount is based on need.

c. Grants are awarded for up to five years of full-time study or a total of $9,000 as long as the student maintains satisfactory academic progress as defined by the institution where the student is enrolled.

5. Wisconsin Handicapped Program.

a. The purpose of the program is to provide grants for undergraduate study to Wisconsin residents who are deaf, hard of hearing or visually handicapped.

b. To be eligible the student must complete the Wisconsin Financial Aid Form or the Family Financial Statement and have financial need as determined by the institution the student attends. The degree of hearing or visual loss must be certified by a medical examiner.

c. The student must be enrolled in a non-profit, accredited public or private college, university, vocational/technical school located in Wisconsin or a similar institution outside of Wisconsin if it specializes in the training of deaf or blind students.

d. The maximum grant is $1,800 per academic year up to five years.

APPENDIX C

OREGON NEED GRANT PROGRAM

DIVISION 31

NEED GRANT PROGRAM

Residency

575-31-005 For a student to be eligible for a Need Grant he/she must:

(1) Be a U.S. Citizen, or be in the United States for other than a temporary purpose and intend to become a permanent resident.

(2) Be a resident of the State of Oregon as defined in section 575-30-005(1).

Stat. Auth.: ORS Ch. 348
Hist.: SSC 12, f. & ef. 12-15-76

Financial Need

575-31-010 A student must have financial need as determined by the Commission as set forth in section 575-30-005(6).

Stat. Auth.: ORS Ch. 348
Hist.: SSC 12, f. & ef. 12-15-76; SSC 18, f. & ef. 10-19-77; SSC 1-1978(Temp), f. & ef. 1-4-78; SSC 3-1978, f. & ef. 2-16-78

[ED. NOTE: The text of Temporary Rules is not printed in the Oregon Administrative Rules Compilation. Copies may be obtained from the adopting agency or the Secretary of State.]

Institutional Eligibility

575-31-015 Eligible institutions are any non-profit institutions of higher education located in this state, which are recognized by the U.S. Department of Education as eligible institutions and which request participation in the program.

Stat. Auth.: ORS Ch. 348 & 378
Hist.: SSC 12, f. & ef. 12-15-76; SSC 18, f. & ef. 10-19-77; SSC 1-1981, f. & ef. 9-3-81

Enrollment

575-31-020 A student must be enrolled or accepted for enrollment as at least a half-time undergraduate student at an eligible institution.

Stat. Auth.: ORS Ch. 348
Hist.: SSC 12, f. & ef. 12-15-76; SSC 18, f. & ef. 10-19-77

Need Grant Amount

575-31-025 (1) A Need Grant may vary in amount from $100 to $1,500 per academic year.

(2) For any student who meets all of the following conditions, grants will equal the sum of tuition and required fees, not to exceed $1,500 per academic year, at a state institution under the Oregon State Board of Higher Education or at an Oregon community college:

(a) Is the natural or adopted child or the stepchild of an Oregon peace officer who was killed or severely disabled in the line of duty.

(b) Is enrolled or accepted for full-time enrollment at a state institution under the Oregon State Board of Higher Education or at an Oregon community college.

(c) Demonstrates financial need at least equal to the sum of tuition and fees at a state institution under the Oregon State Board of Higher Education or at an Oregon community college.

Stat. Auth.: ORS Ch. 348
Hist.: SSC 12, f. & ef. 12-15-76; SSC 18, f. & ef. 10-19-77; SSC 1-1978(Temp), f. & ef. 1-4-78; SSC 3-1978, f. & ef. 2-16-78; SSC 2-1979, f. 7-24-79, ef. 8-1-79; SSC 2-1985, f. & ef. 4-17-85

[ED. NOTE: The text of Temporary Rules is not printed in the Oregon Administrative Rules Compilation. Copies may be obtained from the adopting agency or the Secretary of State.]

Conditions of Award

575-31-030 (1) The maximum period of Need Grant eligibility shall not exceed 12 quarters or 8 semesters, or until completion of a course of study at a school of nursing.

(2) The Need Grant shall normally be used during any regular academic term. It may be used during summer sessions upon petition.

(3) The Commission may deny renewal of an award to any student failing to make normal academic progress as defined by the institution.

(4) No Need Grant shall be made to any student enrolled in a course of study required for and leading to a degree in theology, divinity, or religious education.

(5) The amount of a student's State Need Grant may be related to the amount received by the student under the Pell Grant program.

(6) A Need Grant recipient shall sign a statement of educational purpose in conformity with the requirements of Title IV student aid programs.

Stat. Auth.: ORS Ch. 348
Hist.: SSC 12, f. & ef. 12-15-76; SSC 18, f. & ef. 10-19-77; SSC 4-1980, f. & ef. 10-22-80; SSC 1-1981, f. & ef. 9-3-81; SSC 4-1983, f. & ef. 11-29-83; SSC 2-1985, f. & ef. 4-17-85

Renewal

575-31-035 A Need Grant may be renewed each year provided financial need continues to exist and the conditions of the award are met.

Stat. Auth.: ORS Ch. 348
Hist.: SSC 12, f. & ef. 12-15-76; SSC 18, f. & ef. 10-19-77

Award Priority

575-31-040 When considering applications for award, the Scholarship Commission shall give first priority to the funding of grants to full-time students or those students who meet all the conditions specified in rule 575-31-025(2)(a)(b)(c).

Stat. Auth.: ORS Ch. 348
Hist.: SSC 12, f. & ef. 12-15-76; SSC 18, f. & ef. 10-19-77; SSC 4-1980, f. & ef. 10-22-80; SSC 2-1985, f. & ef. 4-17-85

Disbursements

575-31-045 (1) Institutions shall disburse grants to students identified by the Commission from funds provided by the Commission on an academic term basis.

(2) If, as a result of an institutional error, grants are disbursed to ineligible students, to students in ineligible programs, or to students for an inappropriate number of terms, the institution shall reimburse the State of Oregon the full amount of monies erroneously disbursed.

(July, 1985)

(3) Institutions shall disburse grants to eligible students within a time schedule established annually by the Commission.

(4) Institutions shall refund undisbursed grant funds to the Commission within a time schedule established annually by the Commission.

Stat. Auth.: ORS Ch. 348
Hist.: SSC 4-1980, f. & ef. 10-22-80; SSC 1-1981, f. & ef. 9-3-81

Student Information

575-31-046 The institution shall provide each student awarded at that institution with written notification of the following:

(1) The amount and type of state grants which the student is eligible to receive at that institution.

(2) Any change in the amount or type of state grants which the student is eligible to receive at that institution.

(3) The transferability of state grants to other eligible institutions in Oregon.

(4) The necessity for the student to apply to the Commission annually to be considered for a renewal of the award.

(5) The limitation on the duration of the award to 12 quarters or 8 semesters.

(6) The inclusion of both state funds and federal funds from the State Student Incentive Grant Program (SSIG) in that award.

(7) The conditions which govern eligibility for that award:

(a) That the recipient must be an undergraduate student, as defined by the Commission.

(b) That the recipient must be a full-time student, as defined by the institution, unless funds are available to make awards to less than full-time students.

(c) That the recipient must make satisfactory academic progress as defined by the institution.

(d) That an awardee may not receive state grants if enrolled in a course of study leading to a degree in theology, divinity, or religious education.

(e) That the recipient may not be in default on any federal Title IV loan used at the institution, or owe any refunds to the institution on federal Title IV funds previously disbursed for attendance at the institution.

Stat. Auth.: ORS Ch. 348
Hist.: SSC 1-1981, f. & ef. 9-3-81; SSC 2-1985, f. & ef. 4-17-85

Record Keeping

575-31-050 (1) Each institution shall maintain sufficient records to document its activities relating to state grant programs.

(2) Each institution shall make its academic and financial records available to the Commission at reasonable times for the purpose of assuring that the institution is complying with the rules relating to the administration of the state grant programs.

(3) Institutions shall retain the academic and financial records relevant to a disbursement of state grant funds for not less than five years following the end of the fiscal year in which that disbursement occurs.

Stat. Auth.: ORS Ch. 348
Hist.: SSC 4-1980, f. & ef. 10-22-80; SSC 1-1981, f. & ef. 9-3-81

Appeals

575-31-055 An institution shall have the right to appeal to the Commission in the instance of a disagreement with a policy or procedure of the Commission or its staff. In such a case, the decision of the Commission is final unless a court of competent jurisdiction orders to the contrary.

Stat. Auth.: ORS Ch. 348
Hist.: SSC 4-1980, f. & ef. 10-22-80

APPENDIX D

OREGON CASH AWARD PROGRAM

DIVISION 32

CASH AWARD PROGRAM

Residency

575-32-005 For a student to be eligible for a Cash Award he/she must:

(1) Be a U.S. citizen, or be in the United States for other than a temporary purpose and evidence intention to become a permanent resident.

(2) Be a resident of the State of Oregon as defined in section 575-30-005(1).

Stat. Auth.: ORS Ch. 348
Hist.: SSC 12, f. & ef. 12-15-76; SSC 18, f. & ef. 10-19-77

Financial Need

575-32-010 A student must have financial need as determined by the Commission as set forth in section 575-30-005(6).

Stat. Auth.: ORS Ch. 348
Hist.: SSC 12, f. & ef. 12-15-76; SSC 18, f. & ef. 10-19-77; SSC 1-1978(Temp), f. & ef. 1-4-78; SSC 3-1978, f. & ef. 2-16-78

[ED. NOTE: The text of Temporary Rules is not printed in the Oregon Administrative Rules Compilation. Copies may be obtained from the adopting agency or the Secretary of State.]

Institutional Eligibility

575-32-015 Eligible institutions are any two- or four-year, non-profit, generally accredited institution of higher education located in this state; and, any community college located in this state; and, any hospital school of nursing located in this state and accredited by the National League for Nursing.

Stat. Auth.: ORS Ch. 348
Hist.: SSC 12, f. & ef. 12-15-76; SSC 18, f. & ef. 10-19-77

Academic Qualification

575-32-020 (1) A student shall have demonstrated high intellectual achievement and superior capacity to profit by post-secondary education.

(2) Cash Award applicants must provide the Scholarship Commission with high school G.P.A. and scores of the Scholastic Aptitude Test of the College Entrance Examination Board or American College Testing Assessment Battery.

Stat. Auth.: ORS Ch. 348
Hist.: SSC 12, f. & ef. 12-15-76; SSC 18, f. & ef. 10-19-77

Enrollment

575-32-025 A student must be enrolled or accepted for enrollment as an undergraduate student at an eligible insutution.

Stat. Auth.: ORS Ch. 348
Hist.: SSC 12, f. & ef. 12-15-76; SSC 18, f. & ef. 10-19-77

Cash Award Amount

575-32-030 (1) A Cash Award may vary in amount from $100 to $1,000 per academic year.

(2) Under no circumstances shall the cash award exceed the student's demonstrated need.

Stat. Auth.: ORS Ch. 348
Hist.: SSC 12, f. & ef. 12-15-76; SSC 18, f. & ef. 10-19-77; SSC 2-1979, f. 7-24-79, ef. 8-1-79; SSC 2-1982(Temp), f. & ef. 5-4-82; SSC 3-1982, f. & ef. 7-15-82; SSC 1-1983, f. & ef. 2-23-83

[ED. NOTE: The text of Temporary Rules is not printed in the Oregon Administrative Rules Compilation. Copies may be obtained from the adopting agency or the Secretary of State.]

Conditions of Award

575-32-035 (1) The maximum period of Cash Award eligibility shall not exceed 12 quarters or 8 semesters.

(2) The Cash Award shall normally be used during any regular academic term. It may be used during summer sessions upon petition.

(3) The Commission may deny renewal of an award to any student failing to make normal academic progress as defined by the institution.

(4) No Cash Award shall be made to any student enrolled in a course of study required for and leading to a degree in theology, divinity, or religious education.

(5) Students receiving public assistance from other than Food Stamp Program through the Adult and Family Services Division of the State of Oregon Department of Human Resources will not be eligible for a Cash Award.

Stat. Auth.: ORS Ch. 348
Hist.: SSC 12, f. & ef. 12-15-76; SSC 18, f. & ef. 10-19-77; SSC 4-1980, f. & ef. 10-22-80; SSC 4-1983, f. & ef. 11-29-83

Renewal

575-32-040 A Cash Award may be renewed each year provided financial need continues to exist and the conditions of the award are met.

Stat. Auth.: ORS Ch. 348
Hist.: SSC 12, f. & ef. 12-15-76; SSC 18, f. & ef. 10-19-77

Award Priority

575-32-045 When considering applications for award, the Scholarship Commission shall give first priority to the funding of renewal grants to full-time students, then first-year full-time students.

Stat. Auth.: ORS Ch. 348
Hist.: SSC 18, f. & ef. 10-19-77; SSC 4-1980, f. & ef. 10-22-80

Disbursements

575-32-050 (1) Institutions shall disburse grants to students identified by the Commission from funds provided by the Commission on an academic term basis.

(2) If, as a result of an institutional error, grants are disbursed to ineligible students, to students in ineligible programs, or to students for an inappropriate number of terms, the institution shall reimburse the State of Oregon the full amount of monies erroneously disbursed.

(3) Institutions shall disburse grants to eligible students within a time schedule established annually by the Commission.

(4) Institutions shall refund undisbursed grant funds to the Commission within a time schedule established annually by the Commission.

Stat. Auth.: ORS Ch. 348
Hist.: SSC 4-1980, f. & ef. 10-22-80; SSC 1-1981, f. & ef. 9-3-81

(July, 1985)

Student Information

575-32-051 The institution shall provide each student awarded at that institution with written notification of the following:

(1) The amount and type of state grants which the student is eligible to receive at that institution.

(2) Any change in the amount or type of state grants which the student is eligible to receive at that institution.

(3) The transferability of state grants to other eligible institutions in Oregon.

(4) The necessity for the student to apply to the Commission annually to be considered for a renewal of the award.

(5) The limitation on the duration of the award to 12 quarters or 8 semesters.

(6) The conditions which govern eligibility for that award:

(a) That the recipient must be an undergraduate student, as defined by the Commission.

(b) That the recipient must be a full-time student, as defined by the institution, unless funds are available to make awards to less than full-time students.

(c) That the recipient must make satisfactory academic progress as defined by the institution.

(d) That an awardee may not receive state grants if enrolled in a course of study leading to a degree in theology, divinity, or religious education.

(e) That the recipient may not be in default on any federal Title IV loan used at the institution, or owe any refunds to the institution on federal Title IV funds previously disbursed for attendance at the institution.

Stat. Auth.: ORS Ch. 348
Hist.: SSC 1-1981, f. & ef. 9-3-81; SSC 2-1985, f. & ef. 4-17-85

Record Keeping

575-32-055 (1) Each institution shall maintain sufficient records to document its activities relating to state grant programs.

(2) Each institution shall make its academic and financial records available to the Commission at reasonable times for the purpose of assuring that the institution is complying with the rules relating to the administration of the state grant programs.

(3) Institutions shall retain the academic and financial records relevant to a disbursement of state grant funds for not less than five years following the end of the fiscal year in which that disbursement occurs.

Stat. Auth.: ORS Ch. 348
Hist.: SSC 4-1980, f. & ef. 10-22-80; SSC 1-1981, f. & ef. 9-3-81

Appeals

575-32-060 An institution shall have the right to appeal to the Commission in the instance of a disagreement with a policy or procedure of the Commission or its staff. In such a case, the decision of the Commission is final unless a court of competent jurisdiction orders to the contrary.

Stat. Auth.: ORS Ch. 348
Hist.: SSC 4-1980, f. & ef. 10-22-80